

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GRAYSON RURAL ELECTRIC )  
COOPERATIVE CORPORATION FOR A )  
CERTIFICATE OF CONVENIENCE AND NECESSITY )  
PURSUANT TO KRS 278.020 AND 807 KAR 5:001, ) CASE NO.  
SECTION 9, AND RELATED SECTIONS ) 2010-00441  
AUTHORIZING CERTAIN PROPOSED )  
CONSTRUCTION )

FIRST INFORMATION REQUEST OF COMMISSION STAFF TO  
GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

Pursuant to 807 KAR 5:001, Grayson Rural Electric Cooperative Corporation ("Grayson RECC") is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due no later than Tuesday, February 25, 2011. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Grayson RECC shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Grayson RECC fails or refuses to furnish all or part of the requested information, Grayson RECC shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to Section 1.5.1 of Grayson's 2010-2011 Construction Work Plan Report ("Work Plan"), filed as part of Grayson's application in this matter, which states, in pertinent part, "[p]rojections for the 2011-2012 CWP winter design load of 83 MW were based on the 2008 Load Forecast Report." Refer also to East Kentucky Power Cooperative, Inc.'s ("East Kentucky's") response to Item 3 of Commission Staff's Initial Information Request in Case No. 2010-00238,<sup>1</sup> a copy of which is attached hereto. In its response to Item 3 of Commission Staff's data request, East Kentucky states that:

The EKPC aggregated preliminary load forecast was presented to the Board in July. EKPC's load forecast is made up of each of the sixteen member system's individual load forecasts. Each of those systems must review and obtain approval from its respective Board of Directors. Those approvals took a few months to complete. Due to the significance of the results of this load forecast, i.e. the J.K.

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<sup>1</sup> Case No. 2010-00238, An Investigation of East Kentucky Power Cooperative, Inc.'s Need for the Smith 1 Generating Facility (filed June 22, 2010).

Smith 1 decision, EKPC went back to its Board again in October, and made another presentation reviewing the load forecast. The member systems were asked to revisit the 2011 energy projections, considering the actual sales for January through August 2010. Projections of customers and peak demands were also presented. Each member system was asked to discuss with key staff and indicate if any changes needed to be made. Each member system did respond and no changes were required. The load forecast was then approved by the EKPC Board of Directors in November 2010.

a. Discuss in detail Grayson's participation in the review of East Kentucky's 2010 load forecast, as stated by East Kentucky in its response to Item 3 of Commission Staff's initial data request in Case No. 2010-00238.

b. Identify Grayson's 2011-2012 winter peak load or corresponding winter peak set forth in East Kentucky's 2010 load forecast.

c. Based on Grayson's review of East Kentucky's 2010 load forecast, explain in detail Grayson's decision to base its application in this matter on East Kentucky's 2008 load forecast, as opposed to East Kentucky's more current 2010 load forecast.

2. The cover letter attached to Grayson RECC's 2009-2012 Work Plan indicates that its consultant sent the Work Plan to Grayson RECC on October 3, 2008. When did Grayson RECC file the 2009-2012 Work Plan with Rural Utilities Service ("RUS")? Has Grayson RECC received approval from RUS for the Work Plan? If so provide copies of the approval documentation received by Grayson RECC.

3. Explain why Grayson RECC did not file its 2009-2012 Work Plan with the Commission until November 15, 2010.

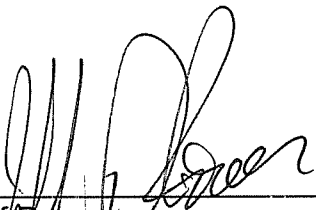
4. Refer to Section 1 of the Work Plan, pages 1-4. Grayson RECC states that the previous Work Plan was for the 2004-2007 construction period and that 20 percent of that Work Plan is designated as a carry-over into the 2009-2012 Work Plan. Aside from the carry-over projects, did Grayson RECC begin any of the construction outlined in the 2009-2012 Work Plan prior to filing the application in this matter on November 15, 2010? If yes, provide a schedule showing all projects constructed beginning in 2009 and all expenditures for those construction projects to date.

5. Aside from the carry-over projects, has Grayson RECC begun construction on any of the projects included in the 2009-2012 Work Plan since filing the application in this matter on November 15, 2010? If yes, provide a schedule showing all projects constructed and all expenditures for those construction projects to date.

6. State the type of meters currently in use throughout Grayson RECC's system (i.e., mechanical or digital). If digital, state whether they are upgradeable to be used on an AMR/AMI system?

7. Does Grayson RECC have an AMR or AMI system? If yes, indicate the type of system, when it was installed, and whether Grayson RECC requested a Certificate of Public Convenience and Necessity to install the system (provide the case number).

8. Refer to Exhibit 4, RUS Form 300. Provide an update of the status of the items identified by RUS in the 2007 Operation and Maintenance Survey.



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Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED: FEB 10 2011

cc: Parties of Record

Case No. 2010-00441

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2010-00441 DATED FEB 10 2011

**EAST KENTUCKY POWER COOPERATIVE, INC.**  
**PSC CASE NO. 2010-00238**  
**INFORMATION REQUEST RESPONSE**

**PUBLIC SERVICE COMMISSION STAFF INITIAL INFORMATION REQUEST**  
**DATED DECEMBER 28, 2010**  
**REQUEST 3**

**RESPONSIBLE PERSON:**           **Julia J. Tucker**

**COMPANY:**                       **East Kentucky Power Cooperative, Inc.**

**Request 3.**           Refer to page 3 of the Testimony of Julia J. Tucker (“Tucker Testimony”), lines 13-15. Provide a detailed description of the “[in]uch review and discussion” which resulted in it taking from July 2010, when the preliminary load forecast was presented to the EKPC Board, to November 2010, before the Board approved the new load forecast.

**Response 3.**           The EKPC aggregated preliminary load forecast was presented to the Board in July. EKPC’s load forecast is made up of each of the sixteen member system’s individual load forecasts. Each of those systems must review and obtain approval from its respective Board of Directors. Those approvals took a few months to complete. Due to the significance of the results of this load forecast, i.e. the J.K. Smith 1 decision, EKPC went back to its Board again in October, and made another presentation reviewing the load forecast. The member systems were asked to revisit the 2011 energy projections, considering the actual sales for January through August 2010. Projections of customers and peak demands were also presented. Each member system was asked to discuss with key staff and indicate if any changes needed to be made. Each member system did respond and no changes were required. The load forecast was then approved by the EKPC Board of Directors in November 2010.

Carol Ann Fraley  
President & CEO  
Grayson R.E.C.C.  
109 Bagby Park  
Grayson, KY 41143